

The Collector of Customs, Collectorate of Customs (Appraisement -West / Appraisement - East / Appraisement - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi /Hyderabad / (Appraisement / Enforcement),Quetta / Gawadar / (Appraisement / Enforcement / AIIA), Lahore / Appraisement, Faisalabad / Appraisement, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisement / Enforcement),Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim / Custom House Karachi) / Transit Trade, Karachi.

**DETERMINATION OF CUSTOMS VALUE OF EMPTY PLASTIC BOTTLES UNDER SECTION 25A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING NO 166/2022)**

C. No.Misc/07/2017-II/631.

Dated: 16-06-2022



In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the customs value of Empty Plastic Bottles are determined as follows:

2. **Background of the valuation issue:** Earlier, the customs value of Empty Plastic Bottles was determined vide Valuation Ruling No. 1129/2017 dated 17-04-2017. As the Valuation Ruling was more than four years old, this Directorate General initiated an exercise for fresh determination of customs value of subject goods under Section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs value:** Meetings with all stakeholders, trade bodies including representatives of clearance Collectorates were held in this Directorate General on 17-03-2022 and 02-06-2022. The importers/stakeholders were requested to submit their proposals/suggestions as well as following documents before or during the course of stakeholders' meeting so that Customs value could be determined:

- i. Invoices of import during last three months showing factual values.
- ii. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- iii. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- iv. Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

4. The points of view of stakeholders were heard in detail. The participants were requested to provide the related imports documents but no one submitted the requisite documents.

5. **Methods Adopted to Determine Customs Value:** Valuation methods provided in Section 25 of the Customs Act, 1969, were duly applied in their regular sequential order to arrive at customs value of subject goods. The transaction value method as provided in sub-

section (1) of Section 25 of the Customs Act, 1969, was found inapplicable because no substantial documents were provided by the stakeholders to prove that their declared values were true transactional values. Moreover, different values were declared by different importers for same product according to different origins. Identical/similar goods value methods provided in Sections 25 (5) & (6) *ibid* were examined for applicability to determine customs values of subject goods. The data provided some references; however, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidence of qualities and quantities of commercial level etc. Information available was, hence, found inappropriate. In line with statutory sequential order of section 25, this office conducted market inquiries using deductive value methods under sub-section (7) of Section 25 of the Customs Act, 1969 and witnessed wide ranges of prices on the basis that empty plastic bottles of China origin and other than China origin were being sold depending upon sizes, grade and packing in the different markets. The prices of raw materials and other ingredients were also examined for valuation, but the same could not be applied due to non availability of conversion and processing cost of exporting country. Therefore, clearance data, raw material prices, local market prices including international prices were examined thoroughly and the information so gathered was utilized and analyzed. Finally, local market prices were taken into account as provided deductive value method for determination of Customs Value of Empty Plastic Bottles under Section 25(7) of the Customs Act, 1969.

6. **Customs value for Empty Plastic Bottles -hereinafter specified** shall be assessed to duty/taxes on the Customs value mentioned in the Table below:

Sr. No.	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Empty Plastic Bottles (Food Grade)	3923.3010 3926.9099	3923.3010.1000 3926.9099.1000	China	5.50
			3923.3010.1100 3926.9099.1100	Others	6.35
2	Empty Plastic Bottles (For Cosmetics)		3923.3010.1200 3926.9099.1200	China	6.40
			3923.3010.1300 3926.9099.1300	Others	7.39

*Note: Empty plastic bottles of Pharmaceutical grade have been excluded due to higher variation of values. The Collectorates may assess the same under section 25 of Customs Act, 1969.*



7. In cases where declared/transaction values are higher than the customs values determined in this Ruling, the assessing officers shall apply those values in terms of sub-Section (1) of Section 25 of the Customs Act, 1969, and the same may be communicated to this Directorate General forthwith. In case of consignments imported by air, the assessing officer shall take into account the difference between air freight and sea freight while applying the customs values determined in this Ruling.

8. **Validity of Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is

rescinded or revised by the competent authority in terms of Sub-Sections (4) of Section 25A of the Customs Act, 1969, read with rule 107 (a), Chapter IX, of the Customs Rules, 2001.

9. **Revision of the Value Determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided under Section 25D of the Customs Act, 1969, within 30 days from the date of issue, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.

10. The Collectors of Customs may kindly ensure that the values given in this Valuation Ruling for the given description of goods are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of Directorate General immediately. Customs value determined in the ruling are for the description and specification as mentioned in the above table of this Ruling. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officers. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification required thereon. In addition to this, it is further necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section 15 of the Customs Act, 1969, or any other law in vogue.

11. ***This Ruling supersedes Valuation Ruling No. 1129/2017 dated 17-04-2017.***

  
(Syed Fawad Ali Shah)  
Director

**Copy for information to: -**

- 1) The Member Customs (Policy/Operations), F.B.R., Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) The Chief Collector of Customs, Appraisalment (South) Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisalment (Central), Custom House, Lahore.
- 6) The Chief Collector of Customs, Enforcement (Central), Custom House, Lahore.
- 7) The Chief Collector of Customs (North), Custom House, Islamabad.
- 8) The Chief Collector of Customs Balochistan, Custom House, Quetta.
- 9) The Chief Collector of Customs Khyber Pakhtunkhwa, Custom House, Peshawar.
- 10) The Director General, Intelligence and Investigation-FBR, Islamabad.
- 11) The Director General, PCA& Internal Audit, Karachi.
- 12) The Director General, IOCO, Karachi
- 13) The Director General, Transit Trade, Custom House Karachi
- 14) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 15) The Director, Transit Trade, Custom House Karachi
- 16) The Director, Directorate of Customs Valuation, Lahore / Peshawar / Quetta
- 17) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
- 18) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 19) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 20) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 21) The Webmaster, Federal Board of Revenue, Islamabad.
- 22) Guard File.